

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
High-Cost Universal Service Support)	WC Docket No. 05-337

**Puerto Rico Telephone Company
Comments on Request for Extension of Time**

The Puerto Rico Telephone Company, Inc. (“PRT”) hereby respectfully submits its Comments on the United States Telecom Association (“USTelecom”) Request for Extension of Time filed in the above-captioned proceeding.¹ In its Notice of Proposed Rulemaking, the Commission tentatively concluded to adopt a non-rural insular universal service mechanism to address the unique needs of insular areas, as well as sought comment on a variety of issues relating to the Tenth Circuit’s remand of the Commission’s universal service Order on Remand.² Comments and reply comments are currently due on or before February 10 and March 13, 2006, respectively. USTelecom has requested that these dates be extended to April 10, 2006 and June 10, 2006.

PRT does not object to an extension of time for the remand issues included in the Notice. These issues are complex, have a substantial effect on the universal service fund, and require significant time and resources for consideration by both commenters and the Commission. However, the non-rural insular mechanism is ripe for decision, and requires prompt action.

¹ USTelecom Request for Extension of Time To File Comments and Reply Comments, CC Docket No. 96-45, WC Docket No. 05-337 (filed Jan. 17, 2006).

² *Federal-State Joint Board on Universal Service; High-Cost Universal Service Support*, Notice of Proposed Rulemaking, CC Docket No. 96-45, WC Docket No. 05-337, FCC 05-205, ¶ 33 (rel. Dec. 9, 2005) (“Notice”).

Therefore, PRT requests that the Commission maintain the current procedural schedule for consideration of the tentative conclusion to adopt universal service relief for insular areas.

Insular relief is essential now. Action on the non-rural insular proposal is needed promptly. As the Commission noted, telephone service penetration in Puerto Rico has traditionally been far below that of the mainland United States, and subscribership, which had been increasing, began decreasing when Puerto Rico's high-cost loop support was first reduced in 2001.³ Puerto Rico currently receives no high-cost loop support. The Notice acknowledged that "the low penetration rates in Puerto Rico demonstrate that this goal [access to affordable telecommunications and information services] is not being met and that the Commission could be doing more to help the residents of Puerto Rico."⁴ Indeed, Chairman (then-Commissioner) Kevin Martin and Commissioners Michael Copps and Jonathan Adelstein have all noted that universal service funding relief for Puerto Rico was overdue in November 2004, more than one year ago.⁵ Once high-cost loop funding is restored, PRT has already identified uses that will further the universal service program's goals, including: construction of new network and loop infrastructure to unserved areas and modernization of existing facilities; maintenance of network for voice telephony and to ensure compatibility with broadband services; maintenance of and improvements to quality of service; maintenance of affordable rates; and education and solicitation of potential first-time telephone customers.

³ *Id.*, ¶ 31.

⁴ *Id.*, ¶ 33.

⁵ *Federal-State Joint Board on Universal Service*, Order on Reconsideration, Statement of Commissioner Kevin J. Martin, Approving in Part, Concurring in Part, Dissenting in Part, Concurring Statement of Commissioner Michael J. Copps, Concurring Statement of Commissioner Jonathan S. Adelstein, 19 FCC Rcd 23824 (2004).

The insular proposal has a full record, and the tentative conclusion is ripe for a decision.

The FCC has been building a record regarding the universal service needs of insular areas since 1999. The non-rural insular proposal is a straightforward issue of an inherently limited nature,⁶ and the Commission has already considered and adopted a tentative conclusion. It is therefore ripe for action, and neither extended comment periods nor extended deliberation is required for a Commission decision.

In contrast, the remand issues also included in the Notice are complex, remain subject to a second federal court remand, involve billions of dollars, and affect millions of people and numerous carriers. For example, the Commission must determine whether and how to define affordability of service,⁷ whether universal service support should be sufficient to allow the upgrading of networks to support advanced services,⁸ and how to determine if urban and rural rates are reasonably comparable.⁹ Both commenters and the Commission will undoubtedly need ample time to consider these “difficult issues.”¹⁰ In addition, unlike the non-rural insular proposal, there is likely to be significant disagreement among interested parties as to how the remand issues should be resolved.

No prejudice will result if an extension is granted for the remand issues. Maintaining the current procedural schedule for the insular proposal while granting an extension for the remand issues will not prejudice consideration of the remand issues. Section 254 makes clear that the

⁶ Notice, ¶ 34.

⁷ *Id.*, ¶ 10.

⁸ *Id.*, ¶ 12.

⁹ *Id.*, ¶¶ 18-19.

¹⁰ *Id.*, Separate Statement of Commissioner Kathleen Q. Abernathy.

needs of insular issues are to be considered independently, and the record shows that the needs of non-rural insular areas are substantially different than those of the mainland.¹¹ Therefore, determining the appropriate treatment of non-rural insular areas will not affect the continuing proceedings on the broader remand issues.

Maintaining the current procedural schedule for the insular proposal while granting an extension for the remand issues is consistent with Commission precedent. The Commission has frequently decided straightforward issues first while leaving more complex issues for further consideration¹² in circumstances where one aspect of the proceeding “is sufficiently complicated

¹¹ *Id.*, ¶¶ 31-32.

¹² *Implementation of Sections 3(n) and 332 of the Communications Act; Regulatory Treatment of Mobile Services Amendment of Part 90 of the Commission’s Rules To Facilitate Future Development of SMR Systems in the 800 MHz Frequency Band Amendment of Parts 2 and 90 of the Commission’s Rules To Provide for the Use of 200 Channels Outside the Designated Filing Areas in the 896-901 MHz and 935-940 MHz Band Allotted to the Specialized Mobile Radio Pool*, Third Report and Order, 9 FCC Rcd 7988, ¶ 402 (1994) (deferring a number of issues to a further proceeding due to the “myriad of complicated technical and policy issues that must be explored in greater depth”); *Amendment of Parts 2 and 25 of the Commission’s Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range*, Memorandum Opinion and Order and Second Report and Order, 17 FCC Rcd 9614, ¶ 16 (2002) (“In recognition of the complexity of these issues, the Commission exercised caution and chose to defer the adoption of additional specific technical rules pending the development of a more complete record.”); *Amendment of the Commission’s Space Station Licensing Rules and Policies 2000 Biennial Regulatory Review — Streamlining and Other Revisions of Part 25 of the Commission’s Rules Governing the Licensing of, and Spectrum Usage by, Satellite Network Earth Stations and Space Stations*, Third Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 13486, ¶ 4 (2003) (“We defer consideration of the remaining proposals in the Part 25 Earth Station Streamlining NPRM and the Part 25 Earth Station Streamlining Further NPRM to a future Order.”); *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers Federal-State Joint Board on Universal Service*, Report and Order and Second Further Notice of Proposed Rulemaking, 19 FCC Rcd 4122, ¶ 11 (2004) (“[W]e largely defer action on the all-or-nothing rule until we have reviewed the additional comments on this issue that we solicit today in our further notice. To provide immediate relief to rate-of-return carriers, however, we think it appropriate at this time to create a limited exception to the all-or-nothing rule.”); *Second Periodic Review of the Commission’s Rules and Policies Affecting the Conversion To Digital Television*, Report and Order, 19 FCC Rcd 18279, ¶ 5 (2004) (“We approve in principle the use of distributed transmission system (‘DTS’) technologies and defer to a separate ‘fast track’ proceeding the development of rules for DTS operation and the examination of several policy issues related to its use.”).

and controversial as to warrant its separate treatment in a later phase of [the] proceeding.”¹³

Similarly, the Commission has extended the comment period for only one set of issues when parties have argued that such treatment is warranted.¹⁴

Conclusion

For the foregoing reasons, PRT urges the Commission to maintain the February 10, 2006 and March 13, 2006 deadlines for comments on the tentative decisions on insular issues. PRT does not object to an extension for the remand issues raised in the Notice.

Respectfully submitted,

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¹³ *Amendment of the Commission's Rules To Improve the Quality of the AM Broadcast Service by Reducing Adjacent Channel Interference and by Eliminating Restrictions Pertaining to the Protected Daytime Contour*, Notice of Proposed Rulemaking, 3 FCC Rcd 5687, ¶ 30 n.24 (1988).

¹⁴ *See, e.g., WATS-Related and Other Amendments of Part 69 of the Commission's Rules*, Report and Order, 59 RR 2d 1418, ¶ 4 n.18 (1986) (upon receiving a motion “to bifurcate the issues to be examined in this proceeding and sought an extension of time for filing comments on certain issues ... the pleading cycle was revised and a bifurcated schedule for the filing of pleadings was established”).